



# ***Overview of Customer Satisfaction Process***

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# The Customer Care Index

## Overview



***In order to compete in today's markets, Verizon must focus on the basic requirements customers demand from a telecom provider:***

-  Do it right the first time
-  Honor commitments
-  Correct problems quickly
-  Keep customers informed
-  Provide connections to the right person at Verizon who can help the customer



# Verizon's Customer Satisfaction Surveys



## *CCIs: The Voice of Our Customers*

- CCI stands for **Customer Care Index**. It is a measurement of customer satisfaction levels associated with the various products and services offered by Verizon
- The CCI is the source for measuring customer perception of our processes. Customer perceptions are obtained through surveys.
- The results of the surveys are reported twice a month. They provide us with:
  - An indicator of the level of service provided to customers
  - An indicator of the quality of products provided to customers
  - The areas where workgroups excelled
  - The areas of the business that need improvement



# Customer Care Index

## What is CCI?

- *Process managed by an independent organization within Verizon (Customer Measurement Services)*
  - Determine methodology and establish standards
  - Manage sample selection
  - Monitor vendor activities for quality and compliance to standards
  - Compute, publish and track results
  - Establish annual performance objectives linked to management compensation

- *CCI results represent the percentage of customers who rate overall performance as "Outstanding", "Very Good" or "Satisfactory"*

- Customers are offered five rating choices
  - Outstanding
  - Very Good
  - Satisfactory
  - Not So Good
  - Poor

Identified as the "Top 3 of 5"

Indicators of a need for improvement



# ***Customer Measurement Services***

## ***Our Primary Goals***



- ***To be "the Voice of the Customer" for all LOBs throughout the Verizon footprint***
- ***To align people and processes around customer priorities***
- ***To be a catalyst for driving continuous improvement enabling outstanding service delivery***
- ***To set customer objectives for the business, based on benchmarking, and tied to compensation***



# Customer Care Index

## What do we measure?



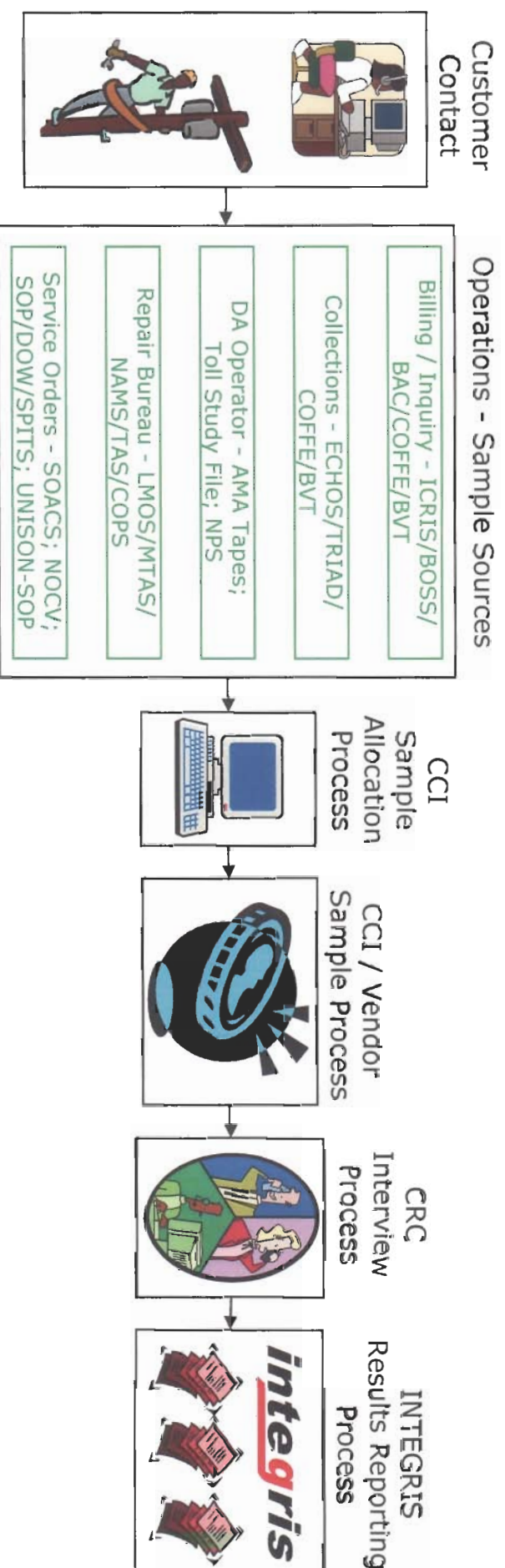
Segment	Survey Type	Process	Frequency
Consumer	Transaction	Provisioning Repair Request & Inquiry Receivables Mgmt	Daily Sample / Monthly Results
Business Solutions	Transaction	Provisioning Repair Request & Inquiry Receivables Mgmt	Daily Sample / Monthly Results
LiveSource	Transaction	Directory Assistance	Daily Sample / Monthly Results
Broadband DSL Fios	Transaction	Provisioning Repair Request & Inquiry	Daily Sample / Monthly Results
Enterprise LB1, 2, & 3 ISP	Relationship	Account Management Service Reliability Price Billing Format/Inquiry	Annual
Wholesale	Relationship	Account Management Service Reliability Price Billing Format/Inquiry	Annual



# Customer Care Index

## How is CCI measured?

- CCI results are measured utilizing the following process

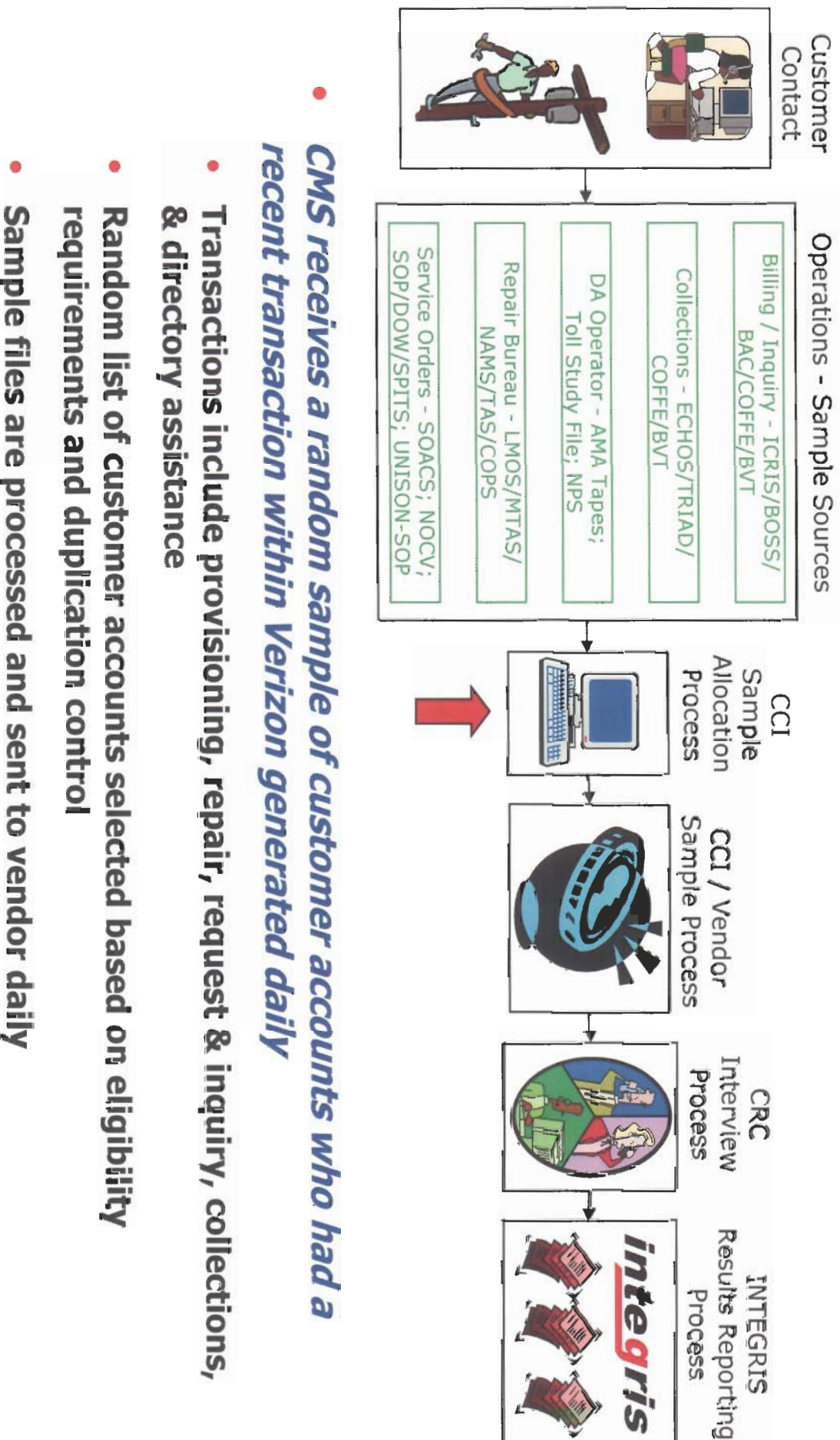




# Customer Care Index



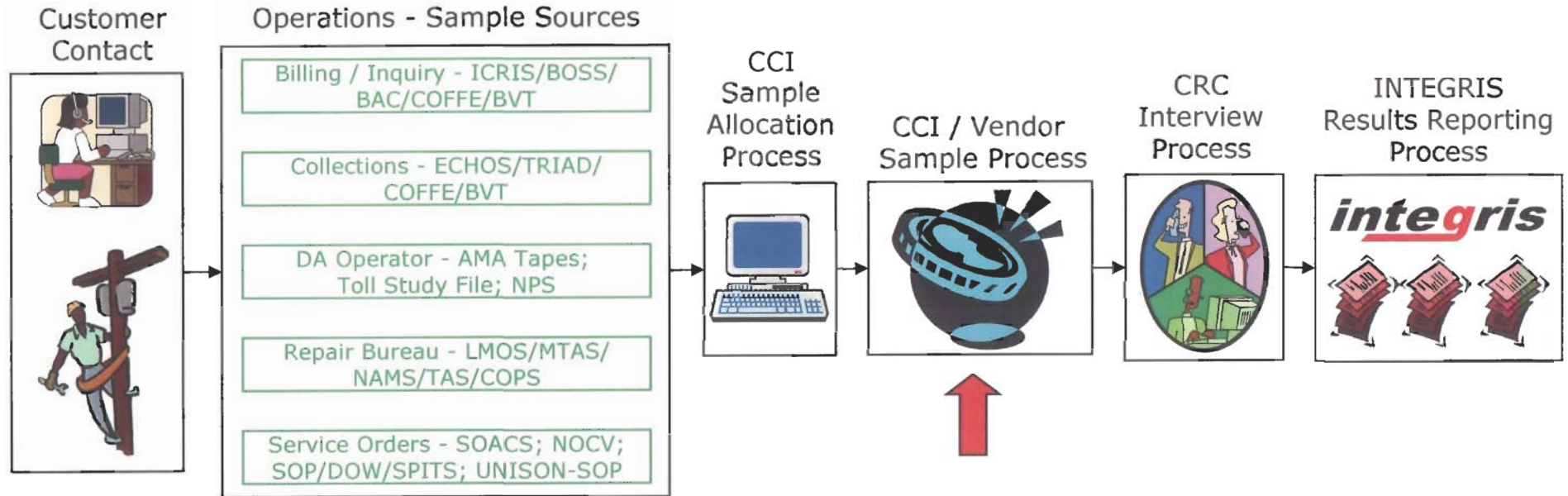
## How is CCI sample gathered?





# Customer Care Index

## How is CCI sample allocated?



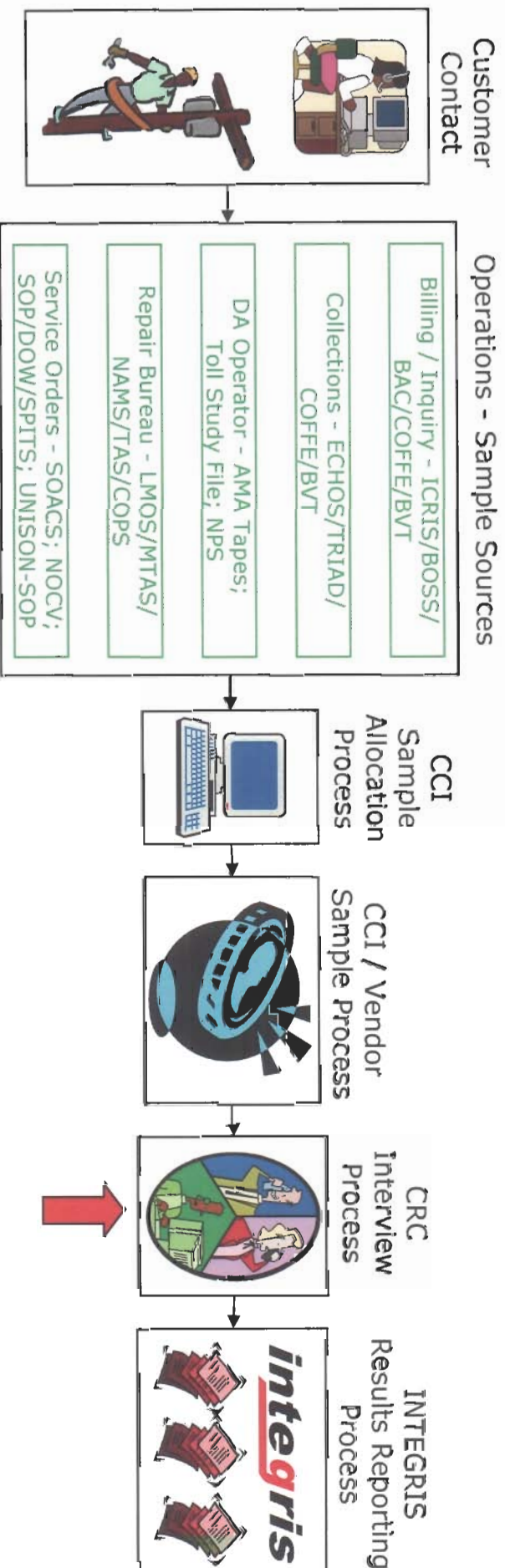
- ***After receiving the initial sample files, vendor processes the sample into their systems***
  - **Vendor allocates sample for each survey by:**
    - Performing duplication checks within and across each of the sample lists
    - Randomly select customers to be interviewed
    - Distributing the sample to interviewing staff across month to ensure accurate representation of performance



# Customer Care Index



## How are CCI interviews conducted?



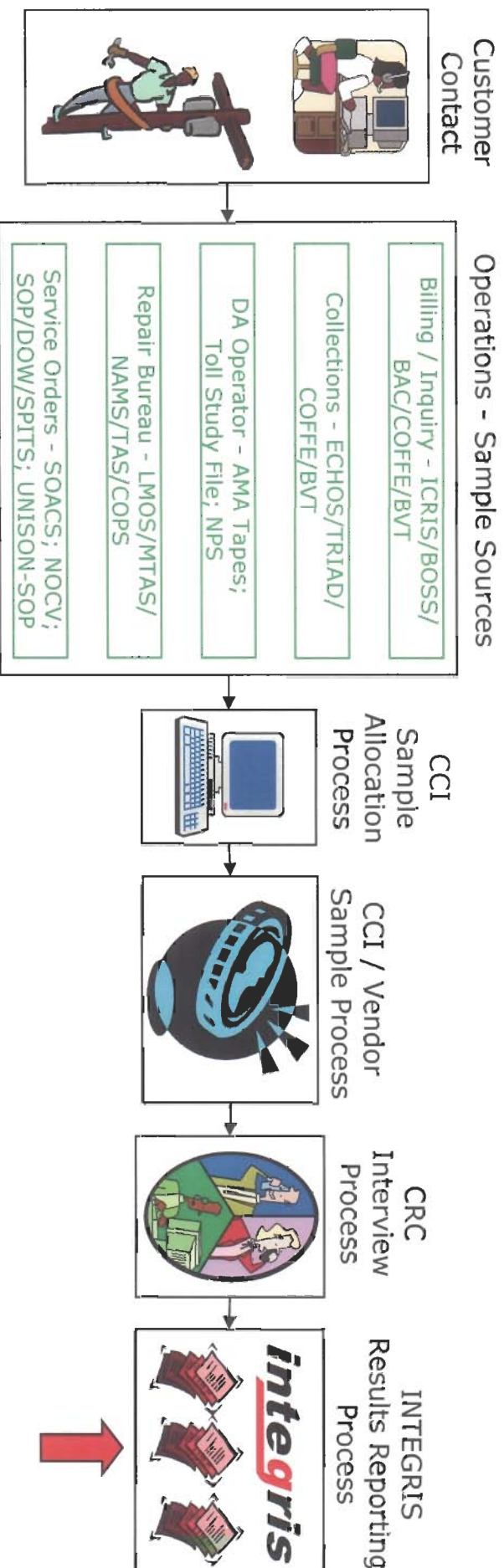
- **Vendor located at Customer Research Center (CRC) conducts customer interviews**

- Conducts interviews with customers for each of the surveys on a daily basis
- Manages the completion of interviews in terms of achieving quotas and monitoring the quality of interviewing, data entry, transcribing and coding
- Compiles results and transmits data to CMS to load into INTEGRIS



# Customer Care Index

## How are CCI results reported?



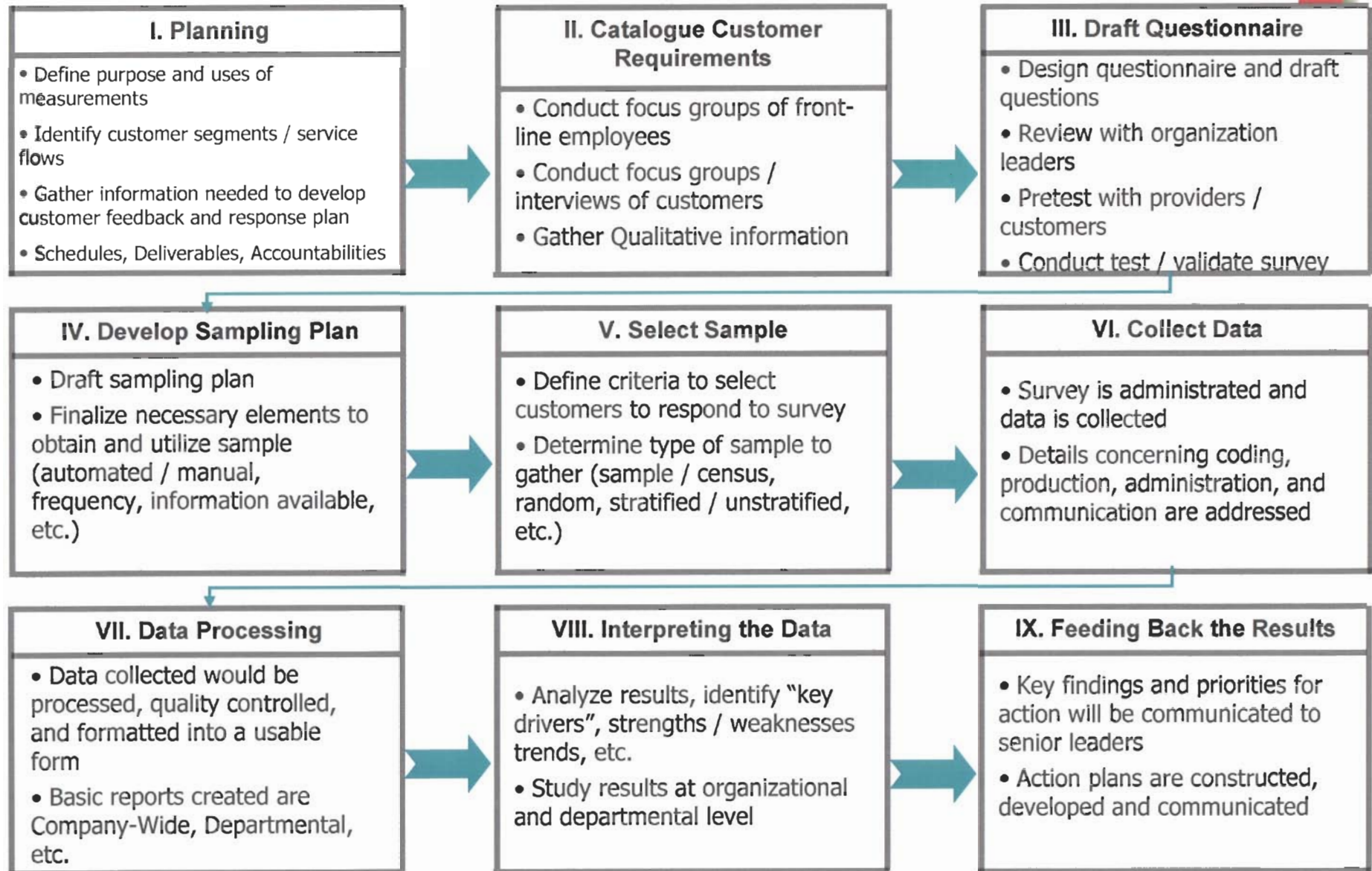
### Results from CCI interviews are sent to CMS - INTEGRIS for reporting

- INTEGRIS is the official reporting system of CCI results
- Data is loaded and weighted according to organizational structure across each of the surveys
- Verbatim comments and codes from each survey are also entered into the system
- Reports are made available for each group to monitor their performance and analyze customer requirements



# Customer Measurement Services

## Measurement Development Process





# Provisioning & Repair Hierarchies and Monthly Quota



[WR]	[WR]	[WR]	[WR=Weighted Result]	[WA=Weighted Applied]	QUOTA
Level 1	Level 2	Level 3	Level 5	Level 6	
Verizon					5065
	Region 1				2770
		Market Area 1			405
			District 1		405
				Manager 11	25
				Manager 12	25
				Manager 13	25
				Manager 14	25
			District 2		105
				Manager 21	35
				Manager 22	35
				Manager 23	35
			District 3		100
				Manager 31	25
				Manager 32	25
				Manager 33	25
				Manager 34	25
			District 4		100
				Manager 41	20
				Manager 42	20
				Manager 43	20
				Manager 44	20
				Manager 45	20



# ***Sampling Error***

## ***Region 1 – Consumer Repair***



### ***Sampling Chart*** ***Region 1***

<b><i>Entity</i></b>	<b><i>Monthly Sample</i></b>	<b><i>Sample Error</i></b>	<b><i>Quarterly Sample</i></b>	<b><i>Sample Error</i></b>	<b><i>Annual Sample</i></b>	<b><i>Sample Error</i></b>
<b><i>District 1</i></b>	100	7.0%	300	4.5%	1200	2.3%
<b><i>District 2</i></b>	105	6.8%	315	4.4%	1260	2.2%
<b><i>District 3</i></b>	100	7.0%	300	4.5%	1200	2.3%
<b><i>District 4</i></b>	100	7.0%	300	4.5%	1200	2.3%
<b><i>Region 1</i></b>	405	3.5%	1215	2.2%	4860	1.1%

***Sampling error is a function of the sample size and the sample result. The closer the result is to 100%, the smaller the sampling error. The larger your sample size, the smaller the sampling error, but the increase in precision can become very costly.***



# Customer Research Center



- **Located at Clifton Park, NY**
- **Owned by Verizon / managed by market research firm (Market Insights)**
- **Interviewing**
  - 120 interviewing stations + 12 LB 2 & 3
  - 220 part time interviewers
  - Bilingual interviewing (Spanish, Mandarin / Cantonese)
  - Dedicated LB 2 & LB 3 interviewing team
    - **8 full time LB 2 / LB 3 interviewers**
    - Nationwide Calling & Hours
    - Corporate Network
- **Management Supervision**
  - 10:1 Interviewer / Supervisor ratio
  - 13 Market Insights management employees
    - **Site Director**
    - **Human Resources**
    - **Project Managers**
    - **Training**
    - **Transcription**
    - **Data Processing**
  - 2 On-site Verizon employees
    - **Quality Assurance**
    - **Project Management**
- **Monthly quality score linked to vendor compensation**



# Customer Measurements

## INTEGRIS - Overview



- **Functionality**

- **Integrated Results Information System (INTEGRIS) application uses client/server technology to retrieve and display Verizon survey results**
- **Tracks measurement results from the lowest data collection level to the company level**
- **Client/GUI front end was developed using PowerBuilder software**
- **Server side consists of a SYBASE relational database**
- **Automatic deployment process**
- **Installation via CD-ROM or Zip files**

- **Reporting**

- **"Dynamic" Matrix**

- *Generates results from each transaction and relationship survey*

- **Verbatim / Verbatim by Respondent**

- *Generates transcribed customer comments recorded during an interview*

- **Extract**

- *Generates a comma delimited flat file of each interview's responses*

- **Hierarchy**

- *Generates a structured outline of the organization as captured by the survey*



# INTEGRIS - Screen Shots:

## Matrix Standard Report



Standard Report for Top3 Responses  
(%Outstanding, Very Good, Satisfactory)

VERIZON  
INTEGRIS  
MATRIX REPORT

Run Date: 03/28/2006 13:14

A20 General Business Provisioning (Thru Date - 03/16/2006, Interim - 1)  
08/2005 09/2005 10/2005 11/2005 12/2005 01/2006 02/2006 03/2006

TOTAL

### VERIZON Level 1 VERIZON

Survey Overall

Q5.1 OVERALL PERFORMANCE

Handling Request

Q2.2 PROMPT ANSWER YOUR CALL

Q2.3 EASE OF REACHING REPRESENTATIVE

Q2.4 LEVEL OF ATTENTION SHOWN

Q2.5 KNOWLEDGE OF PRODUCTS/SERVICES

Q2.6 SUGGESTING SVCS/OPTIONS TO MEET NEE

Technician

Q3.4 Promptness of Arrival

Q3.5 Sensitive to Business Needs

Q3.7.1 RATE TECH EXPLANATION OF WORK/eff.01K

Completing the Work

Q4.0 APPOINTMENT THAT MET NEEDS (eff 1A02)

Q4.0.1 COMMITMENT THAT MET NEEDS (eff 1A02)

Q4.1 COMPLETED BY DATE PROMISED

Q4.2.1 INFORMED on STATUS of REQUEST

Q4.3 WORK DONE CORRECTLY 1st TIME

Q4.5 PROVIDING CLEAR INSTRUCTIONS

89.1	87.7	87.2	87.4	86.6	88.4	88.1	89.4	88.0
90.1	88.6	90.0	89.5	88.9	89.2	90.2	90.2	89.6
84.6	83.6	84.7	83.9	82.2	83.1	83.6	82.4	83.5
95.3	94.2	94.6	94.2	94.0	94.4	94.7	94.2	94.5
95.4	94.3	94.3	94.4	94.1	94.6	93.8	94.5	94.5
94.6	93.6	94.4	94.8	94.1	94.6	94.2	93.4	94.2
91.2	90.5	91.3	92.3	91.4				91.3
96.1	95.4	95.7	95.4	95.5	95.8	96.4	96.7	95.9
98.4	98.5	98.8	98.0	98.3	98.6	98.8	98.6	98.5
85.1	84.6	85.0	86.5	84.4	88.4	90.2	90.2	86.8
91.0	90.5	89.1	90.2	89.8	90.1	90.6	90.8	90.3
88.4	87.4	87.6	88.2	86.7	89.0	89.2	90.4	88.4
81.5	81.9	81.8	82.9	81.9	84.8	85.5	86.4	83.4
84.7	82.7	83.8	83.6	82.2	83.6	84.7	84.9	83.8
90.2	89.0	90.3	90.0	89.2	90.4	90.7	89.8	90.0



# INTEGRIS - Screen Shots:

## Matrix Dynamic Report



Run Date: 03/30/2006 09:23

VERIZON  
INTEGRIS  
MATRIX REPORT

09/200510/2005 11/2005 12/2005 01/2006 02/2006

TOTAL

A20 General Business Provisioning (Thru Date - 03/02/2006, Interim - F)

VERIZON

Level 3 Capital Q5.1 OVERALL PERFORMANCE

Top Three W% 85.0 88.5 89.1 87.2 92.5 91.3 88.9

Counts 328 346 355 341 389 381 2,140

Base 383 386 397 386 420 419 2,391

WConf Limit 3.58 3.18 3.06 3.33 2.52 2.70 1.26

Level 3 Island Metro Q5.1 OVERALL PERFORMANCE

Top Three W% 90.9 90.3 91.3 89.7 91.7 91.1 90.8

Counts 334 314 334 333 339 337 1,991

Base 367 347 366 369 370 370 2,189

WConf Limit 2.94 3.11 2.89 3.10 2.82 2.91 1.21

Level 3 Liberty Q5.1 OVERALL PERFORMANCE

Top Three W% 89.1 86.7 86.6 88.2 91.0 90.9 88.8

Counts 360 332 340 335 366 367 2,100

Base 399 376 394 379 400 400 2,348

WConf Limit 3.06 3.43 3.36 3.25 2.80 2.82 1.28

Level 3 New England Q5.1 OVERALL PERFORMANCE

Top Three W% 91.8 93.4 94.1 91.6 93.0 94.0 93.0

Counts 461 469 472 458 463 471 2,794

Base 500 500 500 500 499 500 2,999

WConf Limit 2.41 2.18 2.07 2.43 2.25 2.08 0.92







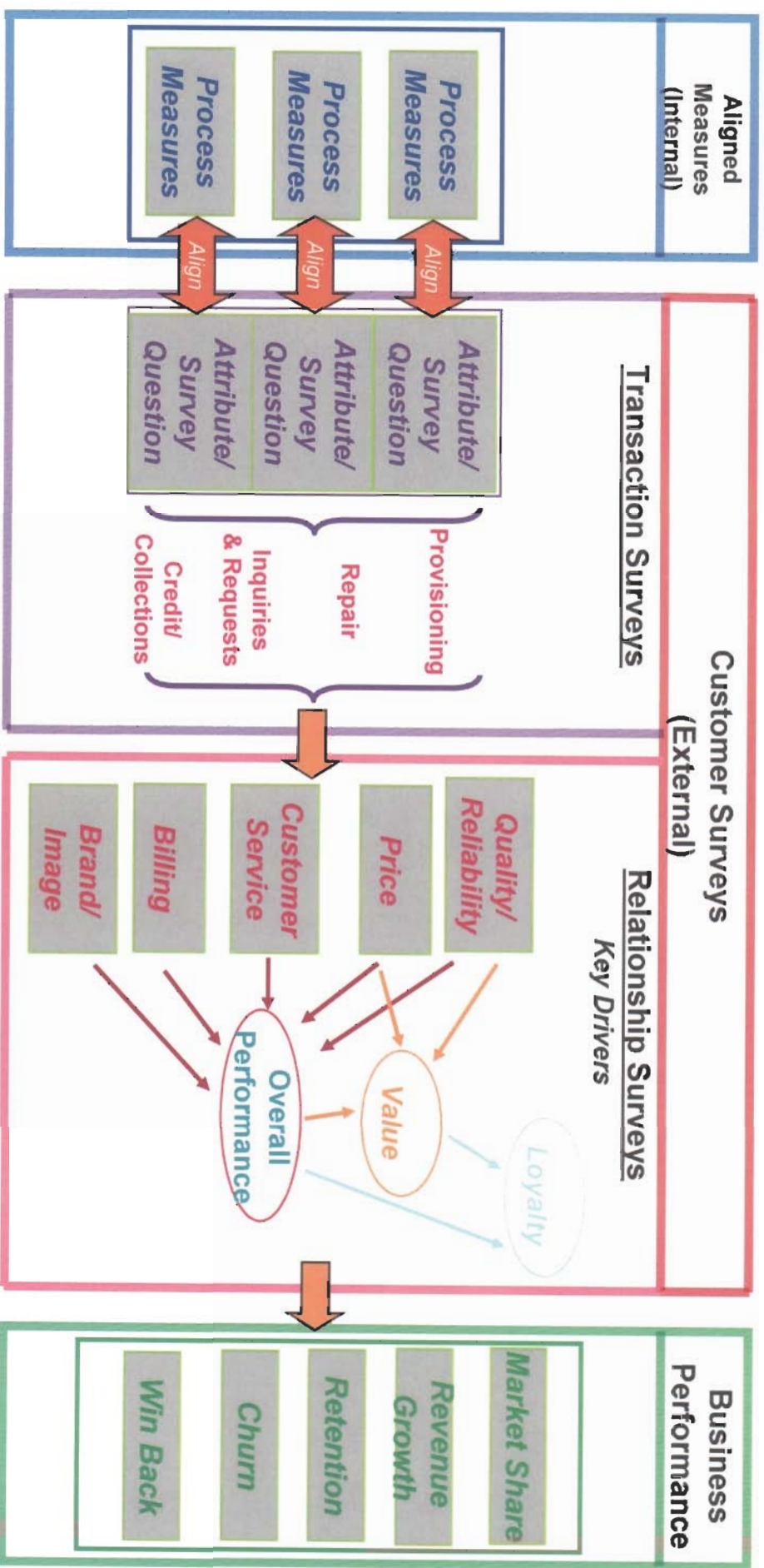
## *Determining What's Important to the Customer*

### *Driver Analysis - Transactional Surveys Examples*



# Customer Measurements

## Customer Measurement Framework





# ***Customer Measurements***

## ***Customer Care Index - Top Customer Requirements***



- ***Provisioning:***

- Perform work correctly the first time
- Keep commitments, complete work on time
- Keep Customers informed before, during, and after the work is completed

- ***Repair:***

- Fix problems quickly
- Perform work correctly the first time
- Keep Customers informed before, during, and after the work is completed



# ***Customer Measurements***

## ***Customer Care Index - Top Customer Requirements***



- ***Inquiry / Collections:***

- One Call Resolution, minimize hold time and transfers
- Responsiveness, flexibility, concern and alternatives
- Being Accessible: Prompt responses and easily reaching representatives

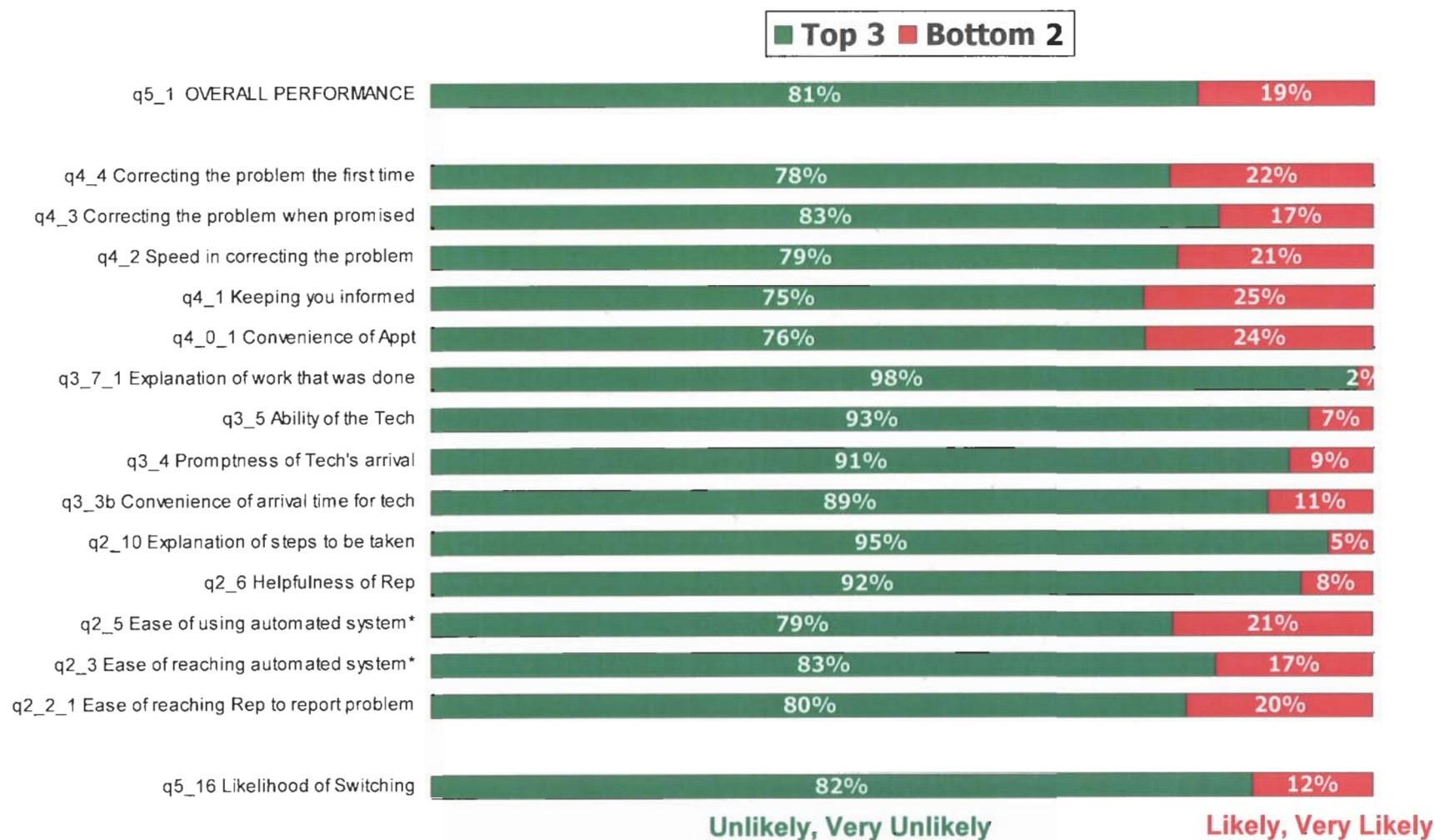
- ***Directory Assistance:***

- Right number, first time
- Quick response, Minimize restatement of requests by customers



# Consumer Repair

## January - December 2005 CCI Performance – Area 2



Results are not weighted



# Consumer Provisioning

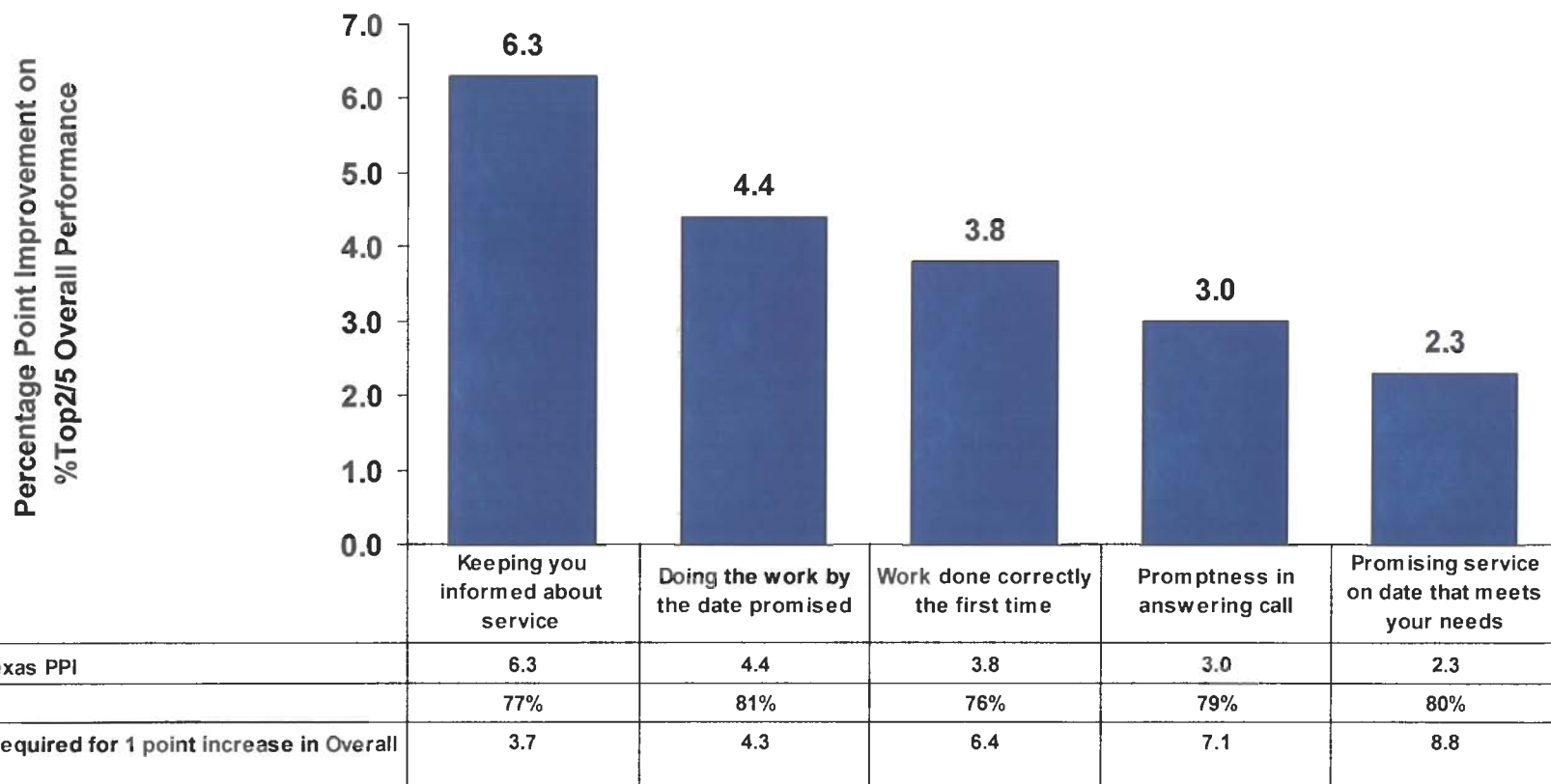
## Key Driver Analysis - Logistic Regression Model

Yes, Tech Visited (N=35%)



Percentage Point Improvement in Overall Performance % Top 2 of 5 Rating  
If 100% of Satisfactory and Bottom 2 Ratings Moved to % Top 2 of 5 on Attributes

**%Top2/5 Overall Performance Rating (82%)**



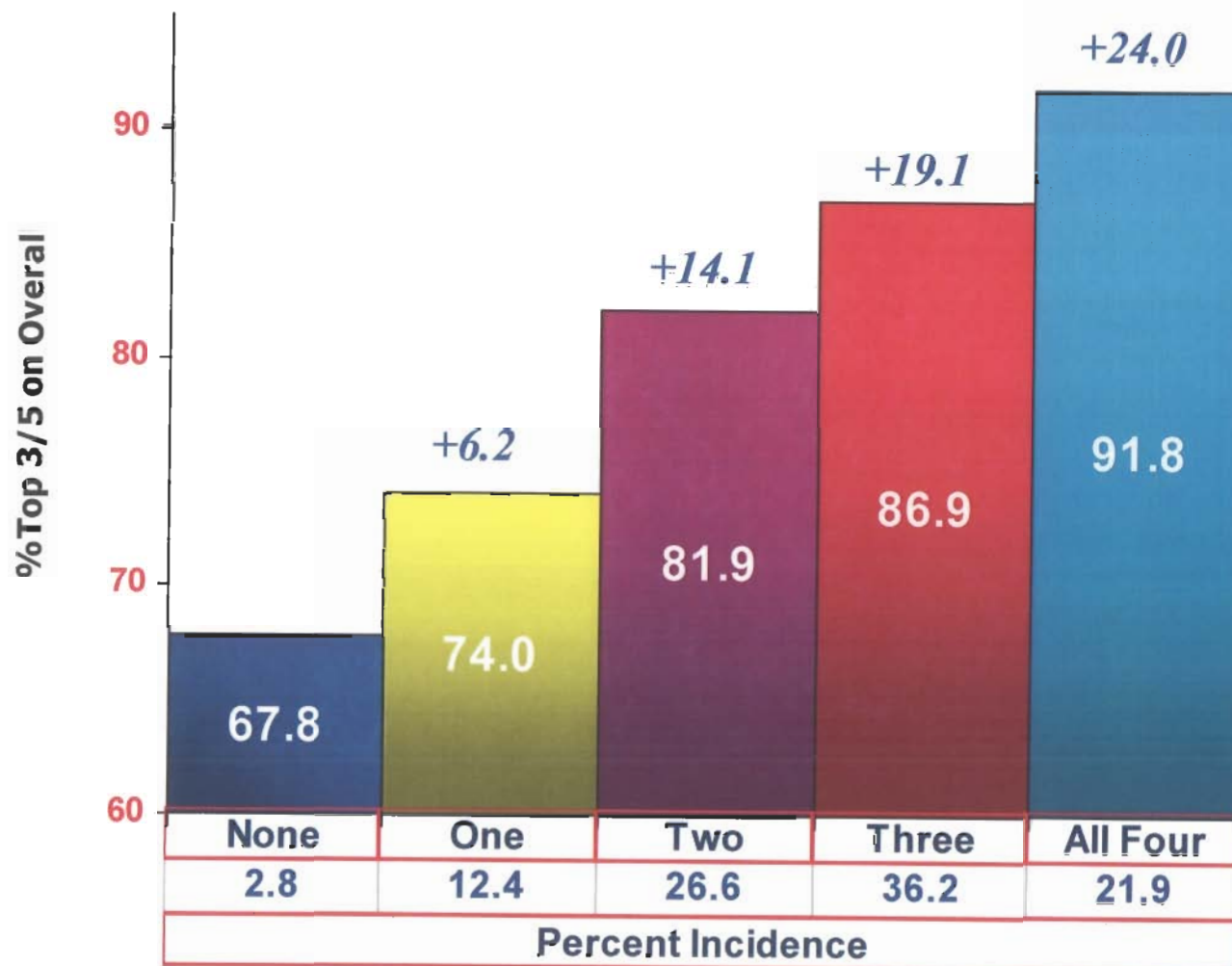


## Consumer Repair

Customer Contact(s) – EOY 2005– Region 1



*Impact of Customer Contact(s) on Overall Performance*



*A direct relationship exists between the number of interactions customers have with Verizon employees and Overall Performance ratings*



# General Business Repair

## Verbatim Analysis - Issues Affecting Overall Performance



### Top Three **Negative** Verbatim Comments - Satisfactory/Not So Good/Poor

#### Not informed of problem

**Examples:** Couldn't inform customers as to when the actual repair would take place, the problem persisted for days and the customer wasn't informed of the status of the repair after the initial dispatch, inadequate follow-up

#### Didn't like appointment time/time frame

**Examples:** Unresponsive to urgency of business related repair issues, slow repairs interfere with business, could not get an appointment until the following day

#### Service not performed correctly

**Examples:** Problems with service order, problem not fixed properly, problems persisted on other lines, tech left without address all of the problems, features not set up properly

### Top Three **Positive** Verbatim Comments - Outstanding/Very Good

#### Liked appointment time/time frame

**Examples:** Tech got here the same day I called, they were here within two hours of when we called, it was done before the start of business as we needed

#### Problem was corrected

**Examples:** The tech arrived as scheduled and found the problem right away, we were up and running right away, they fix the problem the first time

#### Rep/Tech was courteous/good attitude

**Examples:** The repairman was very understanding, they were very polite when they showed up, repairman was courteous, repairman explained everything to me as he completed the work, tech was friendly



## *Measure Alignment Connecting*

*Business Processes to the Customer*

*Internals*



*Externals*



# ***Aligned Internal Measures***

## ***Analysis support***



*Aligned Measures are internal measures that are associated with customer requirements.*



*Improvement in the Right Sub Processes, Will Lead To  
Improvement in Critical Process Outcome Results . . . Which  
Will Lead to Increased Customer Loyalty*



# Examples of Aligned Measures



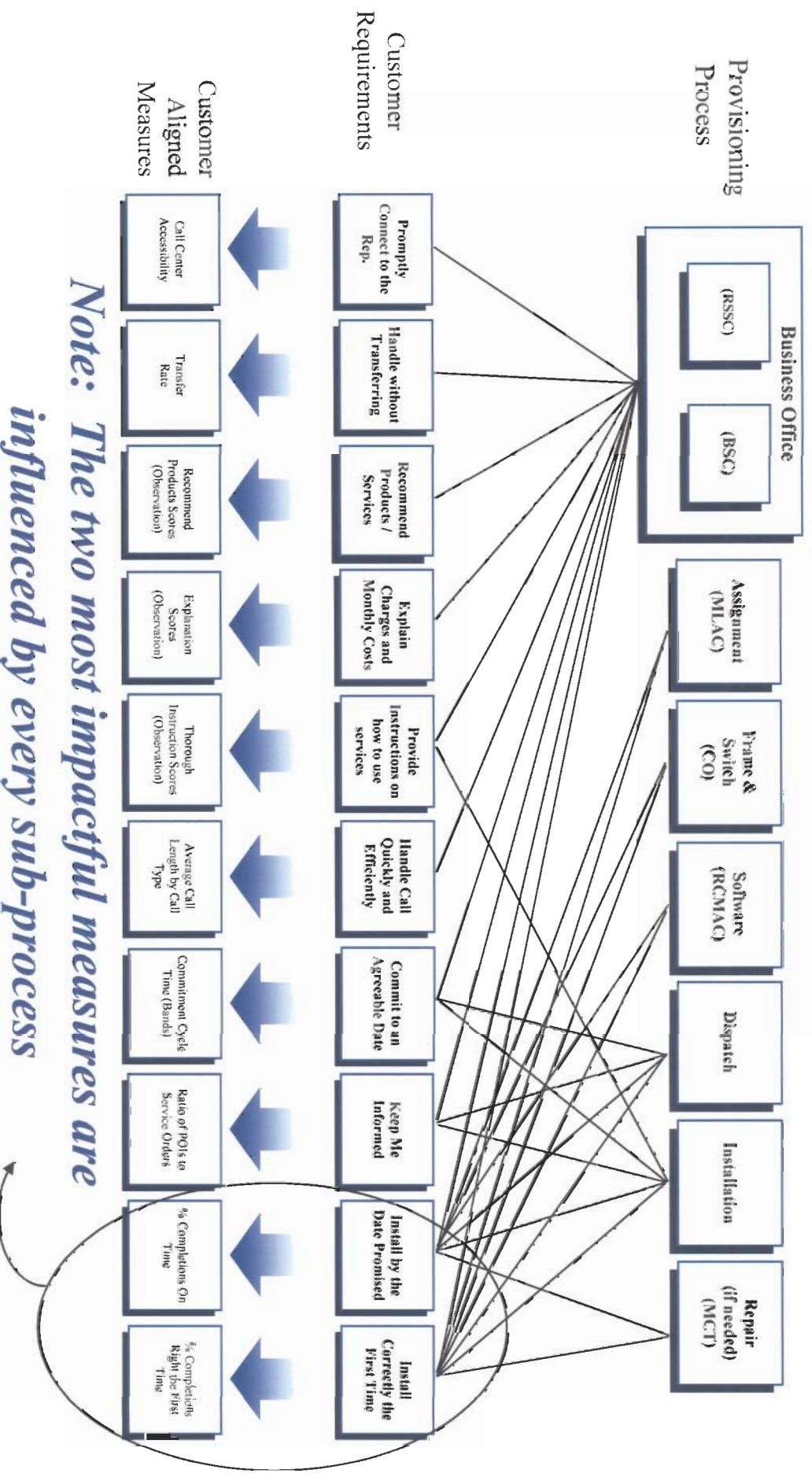
<u><i>Process</i></u>	<u><i>Customer Requirements</i></u>	<u><i>Aligned Measure</i></u>
Billing	Timely Posting	# Days To Post
Customer Service	Knowledgeable Rep	% Certified
Installation	Install On Time	% Met Appointments
Repair	Right The First Time	% 30 Day Repeats



# Impact of Cross Functional Teamwork



*Accountability Throughout Process Ensures Success*





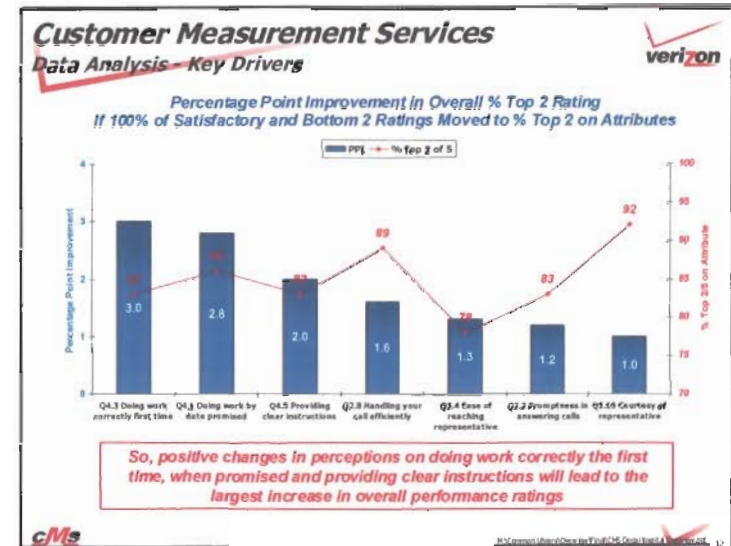
# Customer Measurement Services

## Analysis Support



- **Key Driver Analysis**
  - Identify key customer requirements with quantitative and qualitative research tools
  - Company and Region Level Analysis
- **Aligned Internal Measures**
  - Identify key process measures that are associated with customer requirements
  - Track results utilizing aligned scorecards
- **Communication**
- **Action Planning / Recovery Strategies**
- **Hypothesis Testing**
- **Special Analysis**

CMS



**Customer Measurement Services**  
Aligned Internal Measures: Scorecard

**Business Solutions Repair Aligned Scorecard**

	YTD 2000	Jan	Feb	Mar	Apr	YTD 2001
Verizon - Bus Solutions Repair						
<b>SPEED IN CORRECTING PROBLEM</b> % Trbls Cld w/ 6 Hrs M TTR	68.6	70.38	70.24	70.5	70.52	70.41
<b>KEEPING INFORMED OF PROGRESS</b> % M & P Dispatch Compliance % Subsequents	61.9	65.19	64.88	65.4	64.55	65
<b>CORRECTING PROBLEM WHEN PROMISED</b> % Missed Appts DO	22.5	23.03	22.66	22.43	23.78	22.87
	73.3	75.37	76.57	75.31	75.86	75.78
<b>OVERALL PERFORMANCE</b>	69.6	72.81	73.88	72.82	71.9	72.81

CMS



# Customer Measurement Services

## Aligned Measures Scorecard – Consumer Repair



VERIZON - Consumer Repair	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD 2005	Jan	Feb	YTD 2006
<b>KEEPING INFORMED OF PROGRESS</b>	56.5	59.0	57.7	59.2	58.6	54.4	58.3	58.5	52.3	57.3	57.0	56.9	54.1	57.2	55.6
<i>Customer Contact</i>	1.73	1.88	1.86	1.84	1.81	1.72	1.80	1.84	1.79	1.87	1.90	1.81	1.89	1.94	1.92
<i>Tech Confirmed Work</i>	76.9	79.5	78.1	79.4	79.5	78.6	81.5	79.4	78.0	78.6	75.1	78.5	75.2	78.5	76.8
<b>SPEED IN CORRECTING PROBLEM</b>	59.2	61.0	61.2	60.9	59.0	55.3	58.9	60.3	53.9	59.9	59.1	58.8	55.7	59.3	57.5
<i>% Trbls Clrd &lt; 24 Hrs</i>	54.4	58.6	56.3	58.9	55.0	45.0	52.8	54.6	42.4	52.3	53.2	51.9	48.6	55.5	51.6
<b>FIXING PROBLEM CORRECTLY THE 1st TIME</b>	61.3	63.5	64.5	63.6	63.4	62.1	63.1	64.6	61.2	63.1	61.9	62.7	59.4	61.0	60.2
<i>% 30 Day Repeats</i>	20.5	19.3	19.5	18.7	19.0	20.0	21.2	19.8	19.6	21.9	20.4	19.9	20.0	19.9	20.0
<b>CORRECTING PROBLEM WHEN PROMISED</b>	65.5	67.7	67.4	68.5	65.6	62.8	67.5	67.7	63.3	66.9	66.1	66.0	62.9	65.2	64.1
<i>Missed Appointments</i>	15.2	13.6	15.6	14.0	16.2	20.7	17.0	16.6	20.8	18.2	17.4	17.3	17.8	15.1	16.6
<b>EXPLAINING STEPS TO CORRECT PROBLEM</b>	70.6	70.6	70.8	72.2	70.4	68.2	71.6	69.4	67.2	72.1	69.3	70.2	66.5	68.5	67.5
<b>OVERALL PERFORMANCE</b>	59.6	60.8	60.2	61.5	59.6	55.9	60.3	59.7	52.8	60.2	58.1	58.6	53.0	58.7	55.9



# Customer Measurement Services

## Web Presence



<http://eweb.verizon.com/telecom/custa/cms/>

- **Customer Measurement Services' website is a valuable source of information on customer satisfaction within Verizon**
  - Get updates on our current performance and achievement levels
  - Gather the latest research and analysis available
  - Download the latest Customer Care Index report and Aligned Measures
  - Get information about the INTEGRIS system

**Customer Measurement Services**

**Navigation:** COMPANY AND PEOPLE, LIST OF INTRANET LINKS, RESOURCES, FEATURED LINKS

**Customer Assurance > Customer Measurement Services**

**Customer Measurement Svcs**

**Quick Links:** CCI Report, CCI Summary Presentations, CCI Results Analysis, INTEGRIS Overview, INTEGRIS Data Availability Schedules

**News:** Information available on CMS Research Center - 12/14/2001, Information available regarding 2002 CCI Obj Setting Process for all CCI's - 12/11/2001, October 2001 CCI results published in Vz - 11/26/2001, Phone Mkt CCI October 2001 Results now available - 11/13/2001, Verizon's service measured in Internal Synthesized Research - 07/02/2001

**Customer Care Index Through 12/31/2001**

Line of Business	YTD	% Payout
Retail	77.9	80.7
Consumer	80.1	
General Business	75.3	
LiveSource	77.2	
Public Communications	73.3	
Long Distance	81.6	
Enterprise	85.1	94.6
Network Services	74.6	80.0
Wholesale	70.3	
Engineering & Planning	74.8	
Advanced Services	59.3	81.3
National Operations	73.0	70.5